

NASA SHARED SERVICES CENTER

**AWARD FEE PLAN**

**CONTRACT: NNX05AA01C**

**SERVICE PROVIDER: Computer Sciences Corporation**

**EFFECTIVE DATE:**

**CONCURRENCE:**

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**Fee Determination Official**

**APPROVAL:**

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**Procurement Officer**

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## Section 1 - Introduction

### Summary

The NASA Shared Services Center (NSSC) Contract/Letter of Obligation supports a broad range of select functional activities for Financial Management, Human Resources, Procurement, and Information Technology. NASA is consolidating these selected business and technical services currently performed across the Agency into a single shared services center to increase operational efficiency and improve overall customer service. As a service contract, continual improvement in the services provided and the cost for providing these services is a crucial element. The purpose of the award fee provisions of this contract is to recognize the performance of the Service Provider. The emphasis of this performance evaluation plan is to encourage continual improvement in all aspects of the contract.

### Purpose

The purpose of this Performance Evaluation Plan is to provide both general and specific criteria to serve as a basis for the periodic evaluation of the Service Provider's performance. This plan covers the administration of the award fee provisions of Contract No. NNX05AA01C, dated **TBD**, with CSC. The contract was awarded in accordance with the provisions of FAR Part 15 and OMB Circular A-76, revised.

### Scope

The Service Provider will provide the required services to the NSSC and the Agency.

The term of this Cost-Plus-Award-Fee (CPAF) performance based contract is from June 1, 2005 to May 31, 2015.

The estimated cost-plus-award-fee for performing the contract is \$230,320,713. The total available award fee (for all evaluation periods) is \$ . The total amount of award fee available for each individual period shall be as stated in Appendix A to this plan.

The estimated cost and award fee are subject to equitable adjustments arising from changes or other contract modifications.

The Fee Determination Official (FDO) will periodically determine the award fee payable in accordance with this plan.

The award fee amount and the award fee determination methodology are unilateral decisions made solely at the discretion of the Government.

The FDO may unilaterally change this plan as covered in Section 4 and not otherwise require mutual agreement under the contract assuming the Service Provider receives notice of the changes 30-days prior to the beginning of the evaluation period to which the changes apply.

The unearned award fee in any given period shall be lost and shall not be carried forward or “rolled-over” into subsequent periods.

## **Section 2 - Organizational Structure for Award Fee Determination**

The following organizational structure is established for administering the award fee provisions of the contract.

### **Fee Determination Official (FDO)**

The FDO is **TBD**. The FDO may designate an alternate FDO when appropriate.

The primary responsibilities of the FDO are:

- 1) Determining the award fee earned and payable for each evaluation period as addressed in Section 3.
- 2) Changing this plan as addressed in Section 4 as appropriate.
- 3) Designating award fee evaluation board members.

### **Contracting Officer (CO)**

The primary responsibilities of the CO are:

- 1) Conducting periodic evaluations of Service Provider performance and the submission of the CO’s findings to the FDO for each evaluation period as addressed in Section 3.
- 2) Considering changes in this plan and recommending those determined appropriate for adoption by the FDO as addressed in Section 4.
- 3) Preparing FDO correspondence in coordination with the COTR.
- 4) Receiving the Service Provider’s written self-assessment, or scheduling an oral self-assessment with the Service Provider.

### **Contracting Officer’s Technical Representative (COTR)**

The responsibilities of the COTR are:

- 1) Receiving and analyzing evaluation reports submitted by the Code Performance Monitors, Service Provider, and other performance information.
- 2) Preparing the Contract Performance Summary Report for the CO.
- 3) Preparing FDO correspondence in coordination with the CO.
- 4) Proposing changes in this plan and recommending those appropriate for adoption by the FDO as addressed in Section 4.
- 5) Providing input to the CO regarding cost and business management.

### **Performance Monitors**

A monitor will be designated for each functional area supported by the Service Provider. NASA may assign additional performance monitors or make substitutions as necessary.

The primary Functional Monitor responsibilities are:

- 1) Monitoring, evaluating, and assessing Service Provider performance in assigned areas, including review and validation of metrics where applicable.
- 2) Periodically preparing a Monitor Evaluation Report for the COTR.
- 3) Meeting with the appropriate Service Provider representative as necessary to assure that there are no misconceptions of the contents of the evaluation reports at the end of the evaluation period.
- 4) Recommending appropriate changes in this plan for consideration as addressed in Section 4.

### **Performance Evaluation Board (PEB)**

The chair of the PEB is TBD.

The following are voting members: TBD

The Chair may appoint non-voting members to assist the Board in performing its functions.

The primary responsibilities of the PEB are:

- 1) Conducting semi-annual evaluations of the Service Provider's performance through review of the Functional Performance Monitor Evaluation Reports.
- 2) Discussing and approving submission of a Performance Evaluation Board Report to the FDO with recommendations for each evaluation period.
- 3) Considering changes in this plan and recommending those it determines appropriate for adoption by the FDO, as addressed in Section 4 below.

### **Section 3 - Method for Determining Award Fee**

The Service Provider shall be evaluated on Technical Performance and Cost/Business Management. The Service Provider may earn award fee based on its scores in these two areas. The Service Provider's Technical Performance and Cost/Business Management shall be evaluated on a semi-annual basis. Technical Performance shall be worth 70% and Cost/Business Management shall be worth 30% of the available award fee for each evaluation period. Technical Performance comprises two areas of evaluation: 1) Customer Satisfaction at 20% and, 2) Overall Technical Performance at 50%. A maximum of 20% of the available Technical Performance award fee shall be based on the periodic evaluation of customer satisfaction. The remaining 50% of the available Technical Performance award fee shall be based on a subjective assessment of the Service Provider's performance. Finally, a maximum of 30% will be available in award fee for Cost/Business Management. The two areas will result in assigned numerical scores based on Appendix B, Award Fee Grading Table.

**Technical Performance**

**a) Customer Satisfaction Evaluation**

The Service Provider’s performance shall be periodically assessed on the critical technical performance requirements, with respect to accuracy, timeliness, quality, and overall effectiveness (PWS 2.17). If the Service Provider meets or exceeds a performance requirement as stated in the table below, it shall earn a portion of the award fee available during the six-month evaluation period. The maximum award fee to be earned during each six-month evaluation period is 20% of the total available Technical Performance award fee pool for the period.

PWS Section	Requirement	Standard	Performance Requirement	Method of Surveillance
2.17	Customer Satisfaction	Customer sample satisfied with NSSC services based on accuracy, timeliness, quality, and overall effectiveness.	90% of customers are satisfied	As proposed

The Service Provider is required to conduct customer reviews to establish customer satisfaction. The target audience to be evaluated will be both internal and external NSSC customers. The customer evaluation shall accommodate the full scope of SP functional responsibilities and shall facilitate evaluation of job performance. At the conclusion of the award fee evaluation cycle, the Service Provider will submit a report on customer satisfaction for activities completed during the six-month period constituting the award fee evaluation period. The Service Provider shall address methods used to obtain customer satisfaction information, identify non-respondents, and calculate the response rate.

**b) Technical Performance Award Fee Evaluations**

In this area, each NASA Performance Monitor will provide evaluations of the Service Provider in any and all areas of contract performance. This assessment will generally exclude activities evaluated by the customer satisfaction information collected by the Service Provider (see paragraph (a) above). Areas covered under this assessment will include the areas listed on Technical Exhibit 4: Performance Requirement Summary; and may include management functions, including but not limited to, safety, resource management, scheduling, subcontract management, quality control, business management, security, environment, energy, and risk management. Both positive and negative reports may be included; however, all negative reports must be supported by appropriate documentation.

**Cost/Business Management Evaluation**

Overall cost performance shall be evaluated on such factors as how well the total actual costs

were controlled as compared to total negotiated costs, as represented in NF 533 reports, and cost efficiencies which the Service Provider has achieved during the rating period. The analysis of negotiated cost control performance will give consideration to changed support requirements, changed statutory requirements, and/or changes beyond the Service Provider's control that impact contract costs. This event will also consider the timeliness and adequacy of monthly and quarterly financial reports.

Other Direct Costs that are not under the direct control of the Service Provider (air fare, accommodations, etc) will be excluded from the evaluation (i.e. the number of trips to the Centers, which cannot be accurately forecast by either the Government or the Service Provider, may drive up these costs due to volume); however, mismanagement of these cost areas can be a factor in the fee evaluations.

The evaluation of cost performance will be based on actual costs. Thus, the first period will evaluate only four months. Each successive evaluation period will evaluate six months of cost, the last two from the previous period and the first four months of the current period. The natural cost reporting lag is 45-60 days. As a result, the Government is exercising this approach to assure a fair evaluation by using actual cost data rather than forecasts or estimates.

Evaluation of cost control shall also consider, at a minimum, the following guidelines:

1. Normally, the Service Provider should be given a score of 0 for cost control when there is a significant cost overrun within its control. However, the Service Provider may receive higher scores for cost control if the overrun is insignificant. Scores should decrease sharply as the size of the overrun increases. In any evaluation of Service Provider overrun performance, the Government shall consider the reasons for the overrun and assess the extent and effectiveness of the Service Provider's efforts to control or mitigate the overrun.
2. The Service Provider should normally be rewarded for an underrun within its control, up to the maximum score allocated for cost control, provided the average numerical rating for all other award fee evaluation factors is 81 or greater. An underrun shall be rewarded as if the Service Provider has met the estimated cost of the contract when the average numerical rating for all other factors is less than 81 but greater than 60.
3. The Service Provider should be rewarded for meeting the estimated cost of the contract, but not to the maximum score allocated for cost control, to the degree that the Service Provider has prudently managed costs while meeting contract requirements. No award shall be given in this circumstance unless the average numerical rating for all other award fee evaluation factors is 61 or greater.
4. The Service Provider shall be evaluated on the overall administration of the contract. This shall include accuracy and timeliness of all reporting requirements, timeliness of proposal submissions, and overall compliance with all terms and conditions of the contract. The Service Provider's ability to meet or exceed the contract subcontracting goals will be part of the evaluation. The Service Provider, if required, shall submit timely and complete subcontract consent documentation.

5. The Service Provider shall be evaluated on the overall effectiveness of managing subcontracts. This will include the sub-Service Provider's cost performance, the business relationship between the prime and sub, the level of cooperation between the two parties, and the Service Provider's ability to ensure quality seamless service from subcontractors.

6. The Service Provider will be evaluated on its local and corporate business management. This area will include an evaluation of the overall ability and effectiveness to respond to operational and management problems of the Service Provider. The Service Provider shall be evaluated on the overall effectiveness of their equipment management. This will include maintenance and availability at time of need of Service Provider owned equipment, as well as maintenance, availability, and accountability for Government Furnished Equipment (GFE).

#### **Section 4 – Semi-Annual Award Fee Evaluations**

The Government shall allow the Service Provider to present an oral self-assessment, not to exceed 30 minutes, or a written self-assessment, not to exceed 7 pages, to the CO and COTR, discussing the Service Provider's performance over the six-month evaluation period. Any written self-assessment must be received within 10 calendar days after the end of the evaluation period. Semi-annually, the CO and COTR will meet and perform an in-depth review of the Service Provider's Self-Assessment (if provided), the functional Performance Monitor evaluations, and other performance information, as appropriate. The CO together with the COTR, shall summarize his/her findings in a Performance Evaluation Report and prepare the FDO's letter to the Service Provider.

After considering all available data, the CO together with the COTR, shall prepare a recommended, six-month summary rating from 0-100 (see Appendix C) for the Service Provider for each category: Technical Performance (objective and subjective assessment) and Cost/Business Management.

Prior to the PEB meeting the CO and COTR, shall meet with the FDO to present the findings. Once the FDO has reviewed the recommended rating, the PEB will be convened to discuss the rating and arrive at a consensus. A final Performance Evaluation Report, with a final rating, is then prepared by the CO & COTR and submitted to the FDO. Based on the ratings, the Service Provider may earn all or a portion of the award fee available during the six-month evaluation period. The award fee earned for the Semi-Annual Award Fee Evaluation shall be calculated by multiplying the score for technical performance 50% and cost management by 30%. The award fee for technical performance-surveys is based on the Service Provider meeting the minimum performance level as described in Section 3(1) above.

The FDO will consider these and any other pertinent information in determining the amount of award fee earned during the period.

A determination of the award fee earned for each evaluation period shall be made by the FDO within 45 days after the end of the period. The Contracting Officer will advise the Service Provider in writing of the evaluation results.

**Evaluation Period 1**

Semi-Annual Evaluation	Technical Performance – Customer Satisfaction	Technical Performance	Cost/Business Management	Total
Totals	0%	70%	30%	100%

**Evaluation Periods 2-10**

Semi-Annual Evaluation	Technical Customer Satisfaction	Technical Performance	Cost/Business Management	Total
Totals	20%	50%	30%	100%

**Evaluation Periods 11-20 (if options exercised)**

Semi-Annual Evaluation	Technical Performance – Customer Satisfaction	Technical Performance	Cost/Business Management	Total
Totals	20%	50%	30%	100%

**Section 5 - Changes in Plan Coverage**

**Right to Make Unilateral Changes**

Any matters covered in this plan not otherwise requiring mutual agreement under the contract may be changed unilaterally by the **government** prior to the beginning of an evaluation period by providing a 30-day notice to the Service Provider in writing. The changes will be made without formal modifications of the contract.

**Steps to Change Plan Coverage**

The following is a summary of the principal actions involved in changing plan coverage:

Action

Schedule

CO/COTR considers proposed changes	On-going
CO/COTR draft changes	On-going
FDO reviews and approves changes	Prior to end of each period
Administrative changes	Ongoing *

\*Administrative changes shall be at the discretion of the COTR and/or CO and may be made at any time.

**Method for Changing Plan Coverage**

The method to be followed for changing the plan coverage is described below:

1. Personnel involved in administration of the award fee provisions of the contract are encouraged to recommend plan changes with a view toward changing management emphasis, motivating higher performance levels, or improving the award fee determination process. Recommended changes should be sent to the CO for consideration. The CO shall then draft appropriate changes to the plan.
2. Prior to the end of each evaluation period, the CO will submit its recommended changes, if any, applicable to the next evaluation period for approval by the FDO with appropriate comments and justification. If the changes are significant, the revised plan must be approved by the Procurement Officer after FDO review.
3. At least 30 days before the beginning of each evaluation period, the CO will notify the Service Provider in writing of any changes to be applied during the next period. If the Service Provider is not provided with this notification, then the existing plan will continue in effect for the next evaluation period, unless the Service Provider concurs in making the change effective earlier.

## **APPENDICES**

**APPENDIX A**

**EVALUATION PERIODS AND MAXIMUM AVAILABLE AWARD FEE**

<b>Period Number</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Available Max</b>	<b>Award Earned</b>	<b>Fee</b>
1	Phase-In	06/01/05	09/30/2005		\$TBD	
2	Base				\$TBD	
3					\$TBD	
4	Base				\$TBD	
5					\$TBD	
6	Base				\$TBD	
7					\$TBD	
8	Base				\$TBD	
9					\$TBD	
10	Base (Last Eight Months)				\$TBD	
11	Option 1				\$TBD	
12					\$TBD	
13	Option 2				\$TBD	
14					\$TBD	
15	Option 3				\$TBD	
16					\$TBD	
17	Option 4				\$TBD	
18					\$TBD	
19	Option 5				\$TBD	
20					\$TBD	

**APPENDIX B**

**Award Fee Grading Table**

<i><u>Range of Adjectival Rating</u></i>	<i><u>Performance Points</u></i>	<i><u>Description</u></i>
Excellent	100-91	Of exceptional merit; exemplary performance in a timely, efficient and economical manner; very minor (if any) deficiencies with no adverse effect on overall performance.
Very Good	90-81	Very effective performance, fully responsive to contract; contract requirements accomplished in a timely, efficient and economical manner for the most part; only minor efficiencies.
Good	80-71	Effective performance; fully responsive to contract requirements; reportable deficiencies, but with little identifiable effect on overall performance.
Satisfactory	70-61	Meets or slightly exceeds minimum Acceptable standards; adequate results; reportable deficiencies with identifiable, but not substantial, effects on overall performance.
Poor/Unsatisfactory	60-0	Does not meet minimum acceptable Standards in one or more areas; remedial action required in one or more areas; deficiencies in one or more areas which adversely affect overall performance.

Any factor receiving a grade of poor/unsatisfactory (less than 61) will be assigned zero performance points for purposes of calculating the award fee amount. The Service Provider will not be paid any award fee when the total award fee score is Poor/Unsatisfactory (less than 61). In order to earn a total overall rating of Excellent, the contract must be under cost, on or ahead of schedule for those tasks tied to a schedule, and be rated excellent for Technical Performance.